A	Okay.
---	-------

- Q Do you see the part that says that, "The ownership
- 3 changes reflected in this amendment are expressly permitted
- 4 by the newly amended Section 22.322 in the Rules?"
- 5 A Yes, sir.
- 6 0 Was it your understanding in June of 1933 that the
- 7 Commission's rules had been changed to permit at that point
- 8 partnership interest to be transferred?
- 9 A We had a knowledge from our counsel that the Rules
- 10 had changed, yes.
- Okay. And what was the change in the Rules that
- 12 you understood had taken place?
- 13 A Just that there was a change in the rules that
- 14 allowed for transfers to occur.
- 15 O Okay. And prior to that change in the Rules the
- 16 transfers could not occur, that was your understanding?
- 17 A That based upon advice from counsel they had told
- 18 us that we could not change anything. However, at the time
- 19 that we contacted them for each of these transactions they
- 20 informed us that it was okay.
- 21 Q Did you actually talk to counsel on this or did
- 22 Mr. Bernstein?
- 23 A I don't recall on that one, sir, who, in turn,
- spoke with that, whether it was Bernstein, Clark or myself.
- 25 O Okay.

1	A	But	we	got	authorization	from	counsel	to,	in	turn

- go forward with these transactions before they happened.
- Okay. Well, if you look at the partnership
- 4 interests that are reflected in Exhibit 1 there in Bureau
- 5 Exhibit 14, it's the next page beyond what you were just
- looking at. I take it that that exhibit reflects the
- various changes in the partnership that had occurred up
- 8 until that point, up until June of '93?
- 9 A I think that those percentages tie in to the
- schedule that I have, if I'm not mistaken, as of that date.
- 11 Q Okay.
- 12 A I'd have to check more but I've checked two or
- three of them and they seem to be in line.
- Q Okay. Now is it fair to say that you waited until
- after the FCC's Rules changed to make this legal to tell the
- 16 FCC that these changes had occurred?
- 17 A I don't know that that's a fair statement, sir.
- 18 Q Well, is that what you did?
- 19 A I'm saying that this was filed based upon the date
- on that date. I'm not saying that the timing of that was
- appropriate for any one purpose or another.
- 22 0 Well, did you deliberately wait until after the
- Rules changed to tell the Commission that these partnership
- 24 interest --
- 25 A No.

- 2 A No.
- 3 Q Did anybody tell you you should wait until later
- 4 to disclose this to --
- 5 A No.
- 6 the Commission? Well, looking at Rule 22.922
- 7 now, the one that's been identified as Intervenor's Exhibit
- 8 1, do you think there was any problem with the transfer of
- 9 Mr. Bunis' interest in 1991?
- 10 A I would need an interpretation as to his
- 11 prohibited prior to the grant of a construction
- 12 authorization.
- Q Well, your application for Texas 21 had not been
- 14 granted as of that date, had it?
- 15 A Oh, I see what you're referring to.
- 16 Q That's what I was --
- 17 A Okay.
- 18 Q -- talking about.
- 19 A When did we receive -- I'd have to ask the date
- 20 What is the date that we, in turn, received as selectee our
- 21 Texas 21?
- 22 0 I believe that that occurred in 1992.
- A '92. Wouldn't these transactions have been
- 24 concluded prior to that?
- Q Had they been? Had they been completed before

- 1 that?
- 2 MR. HILL: Your Honor, I object.
- 3 (Multiple voices.)
- 4 THE WITNESS: I don't know. I'm asking.
- JUDGE STEINBERG: Hold it. There's an objection.
- 6 Well, if the witness doesn't understand the question --
- 7 MR. HILL: I think that's one thing to ask for
- 8 clarification --
- 9 JUDGE STEINBERG: Okay. But instead of --
- 10 (Multiple voices.)
- 11 MR. HILL: -- when they're answering each others
- 12 questions back and forth.
- JUDGE STEINBERG: Yeah. That's a good point. Why
- 14 don't you start again because --
- MR. EVANS: All right.
- 16 JUDGE STEINBERG: -- I lost track.
- BY MR. EVANS:
- 18 Q I think what you were asking me, Mr. Jones, was
- 19 hadn't these transactions been -- and I take it by
- 20 transactions you're referring to the shifting of partnership
- 21 interest. You said hadn't those been concluded prior to
- 22 Alee being selected in Texas 21? Is that what you were
- 23 asking me?
- JUDGE STEINBERG: Well, look, the original
- question was when was Texas 21 not CP granted but when it

- 1 was --
- 2 MR. HILL: Selected.
- JUDGE STEINBERG: Selected.
- 4 BY MR. EVANS:
- 5 Q Selected.
- 6 A I don't know the date.
- 7 Q Well, why do you need the date? I mean what does
- 8 that do for you?
- 9 A Well, if we were not the selectee and had these
- transactions occurred prior to that then how could we be in
- violation of a Texas 21 se ectee position when we weren't
- 12 even the selectee?
- 13 Q Okay. Well, let s -
- 14 A I'm just confused. Maybe I don't understand.
- 15 Q Well, let's just -- maybe your exhibit, your
- 16 direct case exhibit, tells when Texas 21 was selected. I
- think the designation order actually gives the --
- 18 JUDGE STEINBERG: "Chosen," paragraph seven, you
- 19 know, "Was chosen as tentative selectee on April 8, 1992
- 20 during the re-lottery.''
- 21 THE WITNESS: Okay.
- JUDGE STEINBERG: So Alee became the selectee, the
- tentative selectee, April 8th of '92.
- MR. EVANS: Okay.
- BY MR. EVANS:

	${ t Q}$ Does that date identify for you, Mr. Jones, when -
2	
3	A Yes, sir.
4	Q Okay. And do I understand your testimony
5	correctly to be that you think that prior to the time that
6	Alee was selected as the Texas 21 selectee that you could
7	make changes in your partnership interests without regard to
8	Section 22.922?
9	A I don't think it's without regard, sir. You know
10	once again, I'd have to discuss with counsel and see the
11	actual timing of the event, but we received we contacted
12	counsel and we got their permission to go forward with each
13	and every one of these transactions before we did a change
14	because we were originally told that no changes could take
15	place at all. When we had this issue with Bunis
16	Q well, wait a minute. When you say originally what
17	do you mean originally?
18	A At the time that we obtained counsel from Hopkins
19	& Sutter.
20	Q Well, actually, didn't somebody tell you way back
21	when when the issue with Mr. Sharifan first came up that you
22	couldn't make any changes?
23	A Are you talking about Mr. Franklin or anyone else's
24	Q Mr. Franklin or Mr. Kane or anybody else. Didn't

somebody tell you at that point that one of the reasons you

25

- 1 had a problem was that you couldn't change any partners?
- 2 A I don't recall specifically on that issue, sir.
- 3 Q Well, did you have any understanding at that time,
- 4 and by that time I mean 1988-1989, that you couldn't change
- 5 partners?
- 6 A I don't recall at that time whether I did or I
- 7 didn't. I know specifically with Hopkins & Sutter
- 8 communications were much clearer, they were more advisory
- 9 and they, in turn, were communicating with continuously and
- 10 that was when the Executive Committee became extensively
- involved and we terminated Allan Kane, who was buffering a
- lot of information and documentation from us.
- Okay. But that happened, as I understand your
- testimony, in 1990.
- 15 A Correct.
- 16 Q And the changes we've been talking about happened
- 17 between 1990 and 1992, right?
- 18 A Once again, it would be after capital call number
- 19 seven that the transfer took place to Bunis.
- O Okay. Which was in 1991, right?
- 21 A Once again, without documentation I'll have to go
- 22 by what --
- 24 (Multiple voices.)
- 25 A I think it would have been --

- 1 Q -- the documentation.
- 2 A -- approximately in '91, yes. You showed me June
- 3 of '91.
- 4 Q Right.
- 5 A I think I have a note here.
- JUDGE STEINBERG: In any event, it was nailed down
- 7 earlier.
- 8 MR. EVANS: Right.
- 9 BY MR. EVANS:
- 10 Q All right. Let me ask you one other thing.
- Directing your attention again to Section 22.922, which is
- 12 Intervenor's Exhibit No. 1, do you see the part that says,
- 13 "This restriction on transfers of interest in such cellular
- 14 applications shall include any form of alienation ncluding
- 15 option arrangements?"
- 16 A Sir, can you redirect -- oh, okay, down n this
- 17 area.
- 18 0 It's the last sentence.
- 19 A Yes, I see that.
- 20 O Now at this time, let's say starting in 1990, you
- 21 had an option arrangement with Metro Mobile CTS and then
- 22 Bell Atlantic, right?
- 23 A Subject to approval of the license, yes.
- Q Well, you had an agreement whereby they -- those
- entities could acquire a five percent interest in Alee,

- 1 right?
- 2 A In strictly the New Mexico license if and when it
- 3 was approved.
- 4 Q Okay. Well, was the option interest that Bell
- 5 Atlantic held in Alee that you've just described was that
- 6 ever disclosed in the Texas 21 application?
- 7 A Whose option?
- 8 Q The f ve percent option of Bell Atlantic of
- 3 Metro --
- 10 A I don t know that Bell Atlantic had a five percent
- 11 option, sir.
- 12 JUDGE STEINBERG: No. It was Metro Mobile CTS.
- 13 THE WITNESS: Metro Mobile CTS has a five --
- 14 (Multiple voices.)
- 15 BY MR. EVANS:
- 16 Q -- Metro Mobile CTS and wasn't that assigned to
- 17 Bell Atlantic?
- 18 A I don't know that the option went through to Bell
- 13 Atlantic, sir.
- JUDGE STEINBERG: We didn't discuss that. We
- 21 discussed the management agreement going through to the
- 22 two -- to Bell Atlantic and Altell.
- MR. EVANS: Oh, I see.
- 24 BY MR. EVANS:
- 25 Q Okay. Well, Metro Mobile CTS certainly had a five

- 1 percent option.
- 2 A Yes, sir, in New Mexico 3 only
- 3 Q How do you know it was only for New Mexico 3?
- A I think your documentation reflect that, sir.
- 5 Q My documentation?
- JUDGE STEINBERG: Exhibit 16.
- 7 THE WITNESS: The exhibits.
- 8 MR. EVANS: Okay.
- JUDGE STEINBERG: Your Exhibit 16.
- Is that what you're referring to, Mr. Jones?
- 11 THE WITNESS: I think it's their Exhibit 17.
- JUDGE STEINBERG: Okay. Thanks.
- 13 BY MR. EVANS:
- Q Okay. Well, do you know whether that option was
- 15 ever disclosed to the Commission in connection with New
- 16 Mexico 3?
- 17 A I do not know.
- 18 Q Was there some intention on the part of Alee to
- 19 conceal that five percent option?
- 20 A No. None whatsoever.
- 21 Q was there any discussion about keeping it
- confidential so that the FCC wouldn't know about it?
- A Not at all.
- 24 Q Let me direct your attention to Bureau Exhibit 13,
- which -- sorry, I guess that has not been identified yet so

1	let	me	pause	and	identify	that.

- JUDGE STEINBERG: Okay.
- MR. EVANS: Previously exchanged Bureau Exhibit
- 4 13.
- JUDGE STEINBERG: You don't have any problem with
- 6 this, Mr. DeJesus, do you?
- 7 MR. DeJESUS: No, Your Honor.
- 8 JUDGE STEINBERG: Okay. Is that sort of goes for
- 9 all of your exhibits if Mr. Evans wants to use them?
- MR. DeJESUS: Yes, Your Honor.
- JUDGE STEINBERG: Okay.
- MR. DeJESUS: They're part of the public domain.
- MR. EVANS: It's a fairly lengthy document. I'll
- 14 ask Mr. Jones if --
- JUDGE STEINBERG: I've got 68 pages.
- 16 MR. EVANS: 68. Okay.
- 17 MR. EVANS: It's a 68 page document which begins
- 18 with a cover page from Mr. Hill and it's got a date stamp of
- 19 the FCC saying, "Received May 11, 1992."
- JUDGE STEINBERG: The document described will be
- 21 marked for identification as Bureau Exhibit 13.
- 22 (The document referred to was
- marked for identification as
- 24 Enforcement Bureau's Exhibit
- 25 No. 13.)

## BY MR. EVANS:

- Q Okay. Do you have that document before you, Mr.
- 3 Jones?
- 4 A Yes, I do.
- 5 Q I'm going to ask you to look at the -- well, have
- 6 you ever seen that before?
- 7 A Yes.
- 8 Q When did you see it?
- 9 A Most recently in reviewing the documents that I
- 10 have before me.
- 11 Q You mean today or sometime in the recent past?
- 12 A In the recent past.
- 13 Q How recently?
- 14 A I reviewed it again about approximately a month or
- 15 so ago.
- 16 Q Did you see it when it was originally filed back
- 17 in 1992?
- 18 A As a member of the Executive Committee I would
- 19 have received a copy of it at that time.
- 20 Q All right. Now as of May 11, 1992 when this was
- filed Mr. Bunis' interest had already changed, hadn't it?
- 22 A Based upon the document you gave to me I believe
- that date was June of '91.
- Q Right. So that was almost a year before this
- document was filed, right?

- 1 A Correct.
- 2 O Now if you look at page two of the amendment, what
- would be page three of the entire exhibit but page two of
- 4 the amendment. do you see there paragraph four of the
- 5 amendment?
- 6 A Yes, sir.
- 7 And it reflects certain changes in the addresses
- 8 of certain Alee partners, doesn't it?
- 9 A Correct.
- 10 Q Is there anything there that indicates the change
- in Mr. Joel Bunis' partnership interest?
- 12 A Not that I can see on that page.
- 13 a Is there anything anywhere else in the document
- that disposes of it?
- 15 A You want me to review all 60 pages, sir, or how
- 16 far do you want me to go?
- JUDGE STEINBERG: Well, review what you have to to
- answer the question.
- 19 THE WITNESS: Okay.
- JUDGE STEINBERG: Unless there's maybe the
- 21 stipulation that there is or there isn't.
- BY MR. EVANS:
- Q Yeah. Why don't we take a minute and look through
- 24 it?
- 25 (Off the record at 11:50 a.m.)

- 1 (On the record at 11:52 a.m.0
- JUDGE STEINBERG: Okay. Thank you.
- 3 THE WITNESS: Based upon the review of the
- 4 document it doesn't appear that it's stated in there, sir.
- 5 BY MR. EVANS:
- O Do you know why Mr. Bunis' change of partnership
- 7 interest was not disclosed?
- 8 A I do not know why
- 9 Q All right. Thank you, sir. I think I'm going to
- 10 leave that exhibit as identified but we'll introduce it with
- 11 Ms. Clark, who actually signed the exhibit. All right.
- 12 Let's change gears for a second.
- JUDGE STEINBERG: Is it something you can wrap up
- 14 before noon or do you want to take a lunch break now? I'll
- 15 leave it up to you or do you want to go until a quarter
- after 12:00? That's fine with me. I'll leave it up to you.
- 17 MR. HILL: This is a good breaking point but I'll
- 18 leave that to Mr. Evans.
- MR. EVANS: I've got something that might be about
- 20 10 minutes.
- JUDGE STEINBERG: Okay.
- MR. EVANS: Okay.
- JUDGE STEINBERG: Did you want to Offer
- 24 Intervenor's Exhibit 1 while we're --
- MR. EVANS: Yeah. I think I will go ahead and

- offer that just more for your convenience than anything
- 2 because it's sometimes hard to come up with these initial
- 3 Rules.
- 4 JUDGE STEINBERG: I have all of them in my office
- 5 going back to the '70s.
- 6 MR. EVANS: Oh, okay.
- JUDGE STEINBERG: Until we moved over here and I
- was told I wouldn't have room for them and I tossed them.
- 9 Then I have enough room for Pike & Fisher if I wanted and I
- 10 tossed that, too. My own copy of Pike, my own personal
- copy, but now I have to use Pike & Fisher I have to go to
- the stupid library and somebody has to always tell me where
- 13 it is. Okay. Humor. Reflect humor. Okay. Offer
- 14 Intervenor's -
- MR. EVANS: Yes, I will offer it.
- 16 JUDGE STEINBERG: Any objections?
- 17 MR. HILL: I have no objections subject to
- 18 verification that this --
- 19 JUDGE STEINBERG: Sure.
- MR. HILL: -- indeed, is the 1992 version of it.
- JUDGE STEINBERG: Okay.
- 22 Mr. DeJesus, any objection?
- MR. DeJESUS: No, Your Honor
- 24 JUDGE STEINBERG: Intervenor's Exhibit 1 is
- 25 received.

Ŧ	(The document referred to,
2	previously identified as
3	Intervenor's Exhibit No. 1,
4	was received into evidence.)
5	MR. EVANS: I guess while we're at it let me offer
6	what's been identified as Bureau Exhibit 23, the partnership
7	agreement.
8	JUDGE STEINBERG: Okay.
9	Any objections?
10	MR. HILL: No objections.
11	JUDGE STEINBERG: Bureau Exhibit 23 is received.
12	(The document referred to,
13	previously identified as
14	Enforcement Bureau's Exhibit
15	No. 23, was received into
16	evidence.)
17	BY MR. EVANS:
18	Q Maybe one quick matter we can talk about, Mr.
19	Jones, before the lunch break. You said yesterday that you
20	recall the change that you made in your written direct
21	testimony?
22	A Yes, sir.
23	Q And I think you indicated in response to some
24	questions from Mr. DeJesus that the reason for the change
25	was that you had reviewed some documentation that caused you

- to change what you originally had in there --
- 2 A Mm-hmm.
- 3 Q -- is that right?
- 4 A Yes.
- 5 Q What specifically was the documentation that you
- 6 reviewed?
- 7 A I created a time line of events as a result of
- 8 documentation that was from the original hearing and the
- 9 dates that they, in turn, provided there from the
- 10 documentation contained herein and realized that I had
- 11 misstated that statement because I was unaware of Mr.
- 12 Sharifan's condition as an alien until that date that I cut
- the check to reimburse him. So that statement was incorrect
- 14 that I had made.
- 15 Q Okay. But you did know in late 1989 that there
- was an alien who had been in the partnership, right?
- 17 **A** We had been informed that an alien was in the
- 18 partnership, that he had been replaced and the name was
- 19 never disclosed to us.
- Q Okay. Well, would it have been accurate then in
- looking at your exhibit, page eight of your direct case
- 22 exhibit, to say that as a result of the foreign partner
- matter but not with Mr. Sharifan's name there?
- MR. HILL: Oh, this is argumentative. Objection.
- JUDGE STEINBERG: Overruled.

1	THE WITNESS: I'm sorry? What page
2	BY MR. EVANS:
3	Q If I understood correctly what you just said, when
4	you checked back your documentation you realized that you
5	didn't know that Sharifan was the partner in 1989, right?
6	A Correct.
7	Q And so that's why this statement was incorrect as
8	originally written?
9	A On page eight?
10	Q Right.
11	A That is correct.
12	Q Okay. But you did know that there was a problem
13	with a foreign partner in 1989, right?
14	A We were made aware that there was a foreign
15	partner but that partner had been taken care of and replaced
16	with a United States citizen.
17	JUDGE STEINBERG: Now were you aware of this in
18	late 1989, Just in general, that there was a foreign partner
19	but the partner had been replaced?
20	THE WITNESS: Yes.
21	BY MR. EVANS:
22	Q Okay. But you've now changed what your testimony
23	says to say that that was not it was not because of that

weren't being served but, rather, it was because of the risk

matter that the partnership became that your interests

24

25

- sharing and Allan Kane control issues, right?
- 2 A That is correct
- 3 Q Did you feel that the partnership interests were
- 4 being served in connection with the foreign partner matter?
- 5 A I don't understand that question.
- Q Well, there was a problem with an alien partner in
- 7 Alee
- 8 A Correct.
- 9 Q Did you feel that the partnership interests were
- 10 being served by the people that were running it at that time
- in connection with the foreign partner matter?
- 12 A Once again, as a partner we were informed by OUL
- counsel at that time, who was Franklin and Mr. Kane, that
- 14 the foreign partner issue was taken care of and they had
- 15 replaced the alien with a United States citizen. There was
- no further discussion on that issue after that point.
- 17 Q Okay. So at that time you didn't think of the
- 18 foreign partner issue as being a problem?
- 19 A No.
- 20 O In 1989?
- 21 A Not at all. And the belief of the partners is
- that that issue was resolved and taken care of.
- 23 Okay. But --
- 24 A That was the information provided by Allan Kane
- JUDGE STEINBERG: And that was your belief?

⊥ THE	WITNESS:	That w	as my	belief,	yes.
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- JUDGE STEINBERG: That it had been taken care of
- 3 and it wasn't a problem?
- 4 THE WITNESS: That's correct.
- 5 BY MR. EVANS:
- Q Okay. And at that time you didn't -- you weren't
- 7 thinking that Alee had any exposure because of that to the
- 8 FCC?
- 9 A No, sir.
- 10 Q Okay. But in late 1989 did you think Alee had
- some exposure because of the risk sharing agreement?
- 12 A The risk sharing agreement at that time became an
- issue and Mr. Kane's control, or attempt to control, the
- 14 partnership became a major issue. We decided to terminate
- 15 him because we were not getting information from Mr. Kane.
- 16 Q How did the risk sharing issue or the risk sharing
- 17 matter become an issue?
- 18 A Once again, I'm going back from memory because I
- 19 don't have documents in front of me. I believe that it was
- in the process of being disclosed.
- 21 Q So some of the other partnerships that were
- 22 involved in the risk sharing agreement were disclosing it to
- 23 the Commission at that time?
- 24 A I'm not sure of the exact facts, sir, but -- and
- 25 the exact dates but I believe that there was concern about

- that issue at that time.
- Q Well, what I'm trying to get from you is what was
- 3 the concern?
- 4 A What was our concern?
- 5 Q Yeah.
- 6 A Whether the risk sharing issue was within
- 7 compliance of the FCC. We were informed that it was and now
- 8 it was being questioned.
- JUDGE STEINBERG: Who was questioning it?
- 10 THE WITNESS: All I remember is correspondence and
- 11 conversations that said that the risk sharing was
- 12 potentially an issue.
- 13 JUDGE STEINBERG: And what was your understanding
- 14 at that time of an issue?
- 15 THE WITNESS: That although we were informed that
- 16 the risk sharing was okay to enter into that *it* was now
- 17 being questioned by I don't recall whom, whether it was
- another group of attorneys or something of that nature. I
- 19 don't specifically remember.
- 20 BY MR. EVANS:
- 21 Q So you started to have concerns as to whether your
- 22 involvement, Alee's involvement, in the risk sharing
- agreement was lawful or not?
- 24 A I don't recall specifically the exact timing of
- 25 that issue but ultimately, yes, as to whether it was in the

- early part of '90 or the later part of '89 the risk sharing
- 2 I believe was an item of discussion. The major concern was
- 3 the Allan Kane control issue.
- 4 Q Okay. Well, let me just ask you one other thing
- 5 about that. You testified yesterday I believe that Mr. Kane
- 6 told you that there had -- words to the effect that there
- 7 had been a problem with an alien partner but that it was
- 8 resolved, right?
- 9 A That it was taken care of.
- 10 0 It was taken care of. Were those his exact
- 11 words --
- 12 A Yes.
- 13 O -- that, "It was taken care of?" And this took
- 14 place at a meeting in late 1988 as I understand it, right?
- 15 A It would have been December of '88.
- 16 O Okay. You were at the meeting?
- 17 A That was our first partnership meeting, yes.
- 18 0 You were at the meeting?
- 19 A Yes, sir.
- 21 issue?
- 22 A I was unaware of the effects of that issue at that
- 23 time.
- Q Well, did someone ask who the alien was?
- A Yes, specifically me.

- $\mathbb{Q}$  And what were you told?
- 2 A That it was taken care of and there's no sense
- 3 getting into it at this point in time.
- 4 Q Did they tell you --
- 5 (Multiple voices.)
- 6 A We weren't supposed to be concerned about it.
- 7 Q -- did he tell you you didn't need to know who the
- 8 alien was?
- 9 A Specifically, yes. There was no need to know.
- 10 Q Okay. And you were fine with that?
- 11 A I wasn't overly pleased with it but as long as the
- matter had been taken care of and we could go forward.
- Q Well, when you refer to the Allan Kane control
- issue, which is the way you've revised your testimony here,
- are you referring to the fact that Mr. Kane didn't give you
- information as partners that you needed?
- 17 A That is correct.
- 18 Q And wasn't this an instance of Mr. Kane not giving
- 19 you information?
- 20 A It was one of many.
- 21 Q This might be a good time to break.
- JUDGE STEINBERG: Was this foreign partner matter
- the first of the things that Mr. Kane withheld from you or
- 24 was it -- I mean I don't understand.
- THE WITNESS: I don't know whether it was the

- 1 first or whether anything else had been withheld at that
- 2 time but Mr. Kane controlled the information. Afterwards we
- found out that he controlled the information and limited our
- 4 access to information.
- JUDGE STEINBERG: Okay.
- THE WITNESS: He filtered the information that
- 7 came to the partnership.
- 8 JUDGE STEINBERG: Okay. Now the foreign -- the
- 9 alien ownership matter you said came up at the first
- 10 partnership meeting?
- 11 THE WITNESS: Yes, sir.
- JUDGE STEINBERG: Were there instances before then
- of your not being satisfied with information Mr. Kane gave
- 14 to you?
- 15 THE WITNESS: That was our first partnership
- meeting, the first time that the partners actually met each
- other. We were all unknown to one another.
- JUDGE STEINBERG: And how about the first time you
- 19 met Mr. Kane?
- 20 THE WITNESS: It was the first -- no, that was the
- 21 second time I met Mr. Kane.
- JUDGE STEINBERG: Okay. Did you have any -- I'm
- looking for the right word. Were you in any way skeptical
- of the information you were getting from Mr. Kane at the
- 25 first meeting?

1 THE WITNESS:	: I	think	everything	was	a little
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- 2 fresh to the partners at that time and we were just getting
- 3 whatever information we could concerning our selectee being
- 4 selected and trying to get the partnership moving forward at
- 5 that time was the major focus.
- 6 JUDGE STEINBERG: But at the time of the first
- 7 partnership meeting did Mr. Kane give you any reason or do
- 8 you have any reason in your mind as to why you would not
- g trust or believe anything Mr. Kane told you?
- 10 THE WITNESS: There would have been no reason at
- 11 that time.
- 12 JUDGE STEINBERG: Okay. So is it fair to say --
- 13 never mind.
- Do you want anything else?
- 15 MR. EVANS: Yeah. Just a couple of more
- 16 questions.
- 17 BY MR. EVANS:
- 18 Q You actually -- the partnership actually elected
- 19 Mr. Kane as the manager at that meeting, didn't it?
- 20 A Yes, they did.
- Q But from what you just told us it sounds like even
- 22 at that meeting you were starting to have some concerns
- about Mr. Kane's withholding the information, is that right?
- 24 A It became apparent after that meeting and through
- 25 subsequent conversations and documentation that was sent